

*THE CRISIS  
OF 1893.*

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A combination of influences worked together to induce an unhealthy condition of industry and finance and to bring about the collapse of 1893. The passage of the Sherman silver law of 1890 was not the absolutely unique cause of the crash of three years later, but it contributed powerfully to that result, indirectly as well as directly. The withdrawal of gold from the United States Treasury pursued an almost uninterrupted course from the moment of the enactment of the Sherman silver law until the outbreak of the panic. The following table, brought down for convenience to a more recent date, will show the progress of this depletion of the gold reserve:

DATE,	TOTAL GOLD IN TKKA.SUKY.	GOLD CERTIFICATES IN CIRCULATION.	NET GOLD RESERVE.
<b>February 28, 1889</b>	<b>\$326,456,697</b>	<b>\$130,210,717</b>	<b>\$r96,245,&lt;)80</b>
<b>June 30. 1889</b>	<b>303,504,319</b>	<b>116,792,75</b>	<b>186,711,560</b>
<b>December 31,</b>	<b>313,818,941</b>	<b>122,985,88</b>	<b>190,833,052</b>
<b>June 30. 1890</b>	<b>321,612,42</b>	<b>131,380,01</b>	<b>190,232,405</b>
<b>December 31,</b>	<b>293,020,214</b>	<b>144,047,27</b>	<b>148,972,935</b>
<b>June 30, 1891</b>	<b>238,518,122</b>	<b>120,850,39</b>	<b>117,667,723</b>
<b>December 31,</b>	<b>278,846,750</b>	<b>148,106,11</b>	<b>130,740,631</b>
<b>June 30, 1892</b>	<b>255,577,705</b>	<b>141,235,33</b>	<b>114,342,367</b>
<b>December 31,</b>	<b>233,359,80X</b>	<b>117,093,13</b>	<b>121,266,663</b>
<b>June 30, 1893</b>	<b>188,455,432</b>	<b>92,970,019</b>	<b>95,485,413</b>
<b>December 31,</b>	<b>158,303,779</b>	<b>77,412,179</b>	<b>80,891,600</b>
<b>June 30. 1894</b>	<b>131,217,434</b>	<b>66,344,409</b>	<b>64,873,025</b>
<b>December 31,</b>	<b>139,606,354</b>	<b>53,361,909</b>	<b>86,244,445</b>
<b>June 30, 1895</b>	<b>155,893,931</b>	<b>48,381,569</b>	<b>107,512,362</b>
<b>December 31,</b>	<b>113,198,707</b>	<b>49,936,439</b>	<b>49,845,507</b>
<b>March 16, 1896</b>	<b>171,356,965</b>	<b>43,426,829</b>	<b>127,930,136</b>

Gold exports began in large volume the month the Sherman law was approved and reached a total in the fiscal year 1891 of \$86,362,654 ; in 1892 of \$50,195,327 ; and in 1893. of \$108,680,844. There were imports during the months in which the American crops were marketed, but the three-years contributed an excess of exports of \$68,130,087 in 1891, \$495>873 in 1892, and \$87,506,463 in 1893. The theory of Gresham's law, that the departure of gold denotes the

presence of a poorer currency  
behind the gold, expelling it  
from the country, was verified  
by the manner in which the